

Comprehensive Audit Plan for Southwest Asia



USAID
FROM THE AMERICAN PEOPLE

OFFICE OF INSPECTOR GENERAL



June 2008

Additional copies of this Audit Plan can be obtained by contacting:

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This plan is also available on our Web site at:

<http://www.dodig.mil/audit>

If you need additional information for the following agencies, please contact them directly.

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(202) 663-0378
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**Special Inspector General for Iraq Reconstruction
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**U.S. Army Audit Agency
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www.hqda.army.mil/aaaweb**

**Air Force Audit Agency
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**Defense Contract Audit Agency
(703) 767-2236
www.dcaa.mil**

FOREWORD

The FY 2008 National Defense Authorization Act Section 842, "Investigation of Waste, Fraud, and Abuse in Wartime Contracts and Contracting Processes in Iraq and Afghanistan," January 28, 2008, requires the Inspector General of the Department of Defense to develop a comprehensive plan for a series of audits of Department of Defense contracts, subcontracts, and task and delivery orders for the logistical support of coalition forces in Iraq and Afghanistan. The Act also requires that the Special Inspector General for Iraq Reconstruction and Afghanistan Reconstruction develop a comprehensive plan for a series of audits of Federal agency contracts, subcontracts, and task and delivery orders for the performance of security and reconstruction functions in Iraq and Afghanistan.

We have expanded this audit plan beyond the statutory mandate to show all of the audit work for Iraq and Afghanistan, including other key issue areas, such as financial management, systems contracts, and human capital for contract administration. This plan incorporates the planned audit work of the Inspectors General of the Department of State and the U.S. Agency for International Development and the Special Inspector General for Iraq Reconstruction. It also includes the planned audit work of the Army Audit Agency, Air Force Audit Agency, and Defense Contract Audit Agency because of the major contributions they make to improve the efficiency and effectiveness of support to the military. We continue to coordinate audit plans through existing working groups and councils.



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INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

PLANNED PROJECTS

THIRD QUARTER FY 2008 START

Award of Urgent Procurements for Linguistics in Support of the Global War on Terror.

Objective: To review whether the awards of urgent procurements for linguistics were properly justified and whether prices were appropriately established as fair and reasonable.

Contract Award and Administration of Security Services Contracts for Afghanistan.

Objective: To determine whether security services contracts for Afghanistan are awarded and administered in accordance with the Federal Acquisition Regulation.

Contracting for Clothing Requirements for Civilian and Contractor Personnel Deployed to Iraq and Afghanistan. Objective: To determine how much the Central Issuing Facilities contracts fulfill the clothing requirement for both DoD civilian and contractor personnel deployed to Iraq and Afghanistan; how contract requirements, terms, and conditions were developed; and the adequacy of cost controls.

Contractor Reimbursement for Medical Care Provided by the Military in Southwest Asia. Objective: To examine the monetary burden on the military medical community in country to provide health care for contractor personnel as well as review contracts to determine whether reimbursement arrangements are addressed when contracts are bid and awarded. There are more civilians, particularly contractor personnel, than military personnel in Iraq and Afghanistan, and if these persons are injured and require medical attention or require refills for their medicines, those medical needs are provided by the military hospitals and trauma centers.

Contractors Indebted to the U.S. Government Performing Work in Support of the Global War on Terror. Objective: To review the DoD contractor debt collection process and the controls associated with the List of Contractors Indebted to the United States who are performing work in support of the Global War on Terror. Specifically, we will also identify if the Government is in a position to collect monies due to the Government prior to making any contract payments.

Controls over Contractor Common Access Cards in the U.S. Central Command.

Objective: To evaluate the controls over the issuance, revocation, reverification, and recovery of contractor common access cards in the U.S. Central Command area of responsibility. We also plan to determine whether the CAC database will be a good source to identify the number of contractors in-country.

Defense Finance and Accounting Service Personnel Support for the Global War on Terror. Objective: To determine whether the current level of Defense Finance and Accounting Service personnel assigned to support the mission in Iraq, Afghanistan, and Kuwait is adequate to ensure accurate and timely accounting and contract payments.

Deferred Maintenance on DoD Weapon Systems as a Result of the Global War on Terror. Objective: To assess the extent and causes of deferred maintenance that result from the Global War on Terror.

DoD Compliance with Federal Tax Reporting Requirements for Contractors Supporting Global War on Terror. Objective: To determine whether payments to contractors and individuals performing work in support of the Global War on Terror were properly reported to the Internal Revenue Service.

Equipment Repairs and Maintenance Contracts in Support of Operation Iraqi Freedom and Operation Enduring Freedom. Objective: To evaluate the development of contract requirements, award of contracts and task orders, and the administration of the contracts and task orders for equipment repairs and maintenance within Iraq and Afghanistan.

Funds for Iraq Processed through the Security Assistance Program. Objective: To determine whether funds for Iraq processed through the Security Assistance Program and the Foreign Military Sales Trust Fund are properly managed.

Information Assurance of the Outside the Continental United States Navy Enterprise Network as it Relates to the Global War on Terror. Objective: To assess the integrity, confidentiality, and availability of the Outside the Continental United States Navy Enterprise Network particularly as it is used in Global War on Terror deployments. The information assurance testing will include examining continuity, enclave boundary defense, identification and authentication, personnel, security design and configuration, enclave computing environment, vulnerability and incident management, and physical and environmental information assurance control subject areas.

Marine Corps Military Pay in Support of the Global War on Terror. Objective: To determine whether Marine Corps military payroll disbursed in support of the Global War on Terror is paid in accordance with established laws and regulations.

Requirements Determination at the Defense Supply Center Columbus. Objective: To determine whether quantities of items being purchased by the Defense Supply Center Columbus matched anticipated Global War on Terror requirements and whether internal management controls over the determination of the procurement requirements were effective.

Review of Funds Transferred to Iraq and Afghanistan Security Forces through the State and Justice Departments. Objective: To evaluate the DoD oversight procedures over funding for the Iraq and Afghanistan Security Forces made through the Department of Justice and the State Department.

Transition Planning for the Logistics Civil Augmentation Program IV Contract.

Objective: To determine whether the Army properly planned for acquisition transition from Logistics Civil Augmentation Program III contract to the Logistics Civil Augmentation Program IV contract.

FOURTH QUARTER FY 2008 START

Accounting Systems Used in Southwest Asia. Objective: To determine the adequacy of the accounting systems used in Southwest Asia to include capability for processing properly supported and recorded transactions.

Acquisition Workforce at the Defense Contract Management Agency. Objective: To assess the amount of DoD civilian, military, foreign national, and contracted support services within the Defense Contract Management Agency devoted to support the Global War on Terror. We will also evaluate whether the Defense Contract Management Agency Acquisition Workforce is adequately trained and certified.

Army and Air Force Military Pay in Support of the Global War on Terror. Objective: To determine whether the Army and Air Force military payroll disbursed in support of the Global War on Terror is paid in accordance with established laws and regulations.

Civilian Pay in Support of Global War on Terror. Objective: To determine whether civilian pay disbursed in support of the Global War on Terror is paid in accordance with established laws and regulations.

Controls Over the Funds to Refit Equipment at the Army Depots. Objective: To evaluate controls over the funds to refit equipment at the Army depots.

Controls Over Unliquidated Obligations on Contracts Supporting the Global War on Terror. Objective: To determine the amount of unliquidated obligations on contracts and whether DoD has established adequate management controls over the unliquidated obligations.

DoD Counter Narcoterrorism Technology Program Office, Program and Operations Support, Indefinite Delivery/Indefinite Quantity Contract. Objective: To determine whether the DoD Counter Narcoterrorism Technology Program Office support contract for Southwest Asia is consistent with the Federal Acquisition Regulation.

Durability and Sustainability of Body Armor. Objective: To evaluate the durability and sustainability of body armor. Specifically, we will evaluate the life cycle management of body armor components to include maintenance, repair, and durability.

Ground Standoff Mine Detection System Contract. Objective: To evaluate the manner in which Ground Standoff Mine Detection System contract requirements were developed, the procedures under which contracts or task or delivery orders were awarded, and the efficiency of DoD management and oversight of the contract.

High Mobility Multipurpose Wheeled Vehicle Contract. Objective: To determine whether American General charged fair and reasonable prices for noncommercial modifications under contract DAAE07-01-C-S001.

Internal Controls over Contract Systems Used in Southwest Asia. Objective: To determine the adequacy of internal controls of contracting systems used in Southwest Asia.

Logistics Support for the U.S. Special Operations Command. Objective: To determine whether contracts providing logistics support to the U.S. Special Operations Forces were properly awarded and administered.

Military Construction Projects Executed Through the Army's Logistics Civil Augmentation Program Contract. Objective: To survey the military construction projects for Iraq and Afghanistan performed under the Army's Logistics Civil Augmentation Program contracts and determine which projects need reviews.

Mine Resistant Ambush Protected Repair and Maintenance Contracts. Objective: To determine whether contracts for maintenance and repair of Mine Resistant Ambush Protected vehicles were properly awarded and administered.

Operation and Maintenance of Permanent Facilities in Afghanistan. Objective: To review the award and administration of contract W912ER-04-D-0003 task order 0015 for the operation and maintenance of facilities in Afghanistan.

Purchasing and Leasing of Vehicles in Support of Operation Iraqi Freedom and Operation Enduring Freedom. Objective: To examine contracts and task orders for vehicles either purchased or leased to support Operation Iraqi Freedom and Operation Enduring Freedom and to evaluate the development of the requirements, award of the contract or task order, the administration of the contract or task order, and the reasonableness of the cost to DoD.

Quality Assurance Procedures for Kevlar Helmets. We are initiating this project as a result of a Congressional request. Objective: To determine whether DoD was aware of prior defects with Kevlar helmets produced by Sioux Manufacturing, and whether DoD provided oversight to ensure the contractor met quality standards.

Rapid Development and Fielding of Material Solutions Within the Navy. Objective: To evaluate the management of the Navy process used to rapidly develop and field material solutions to meet urgent needs in support of the Global War on Terror.

Selection of Mode of Transportation of Materials in Support of Operation Iraqi Freedom and Operation Enduring Freedom. Objective: To examine contracts and task orders for ground, air, and sealift transportation modes and evaluate how the shipping requirements were determined, the procedures used to select the transporting company, the terms of the contract and task orders, and the oversight provided.

Survey of Kellogg Brown and Root Services Logistics Support for Contingency Operations. Objective: To determine the full extent of Kellogg Brown and Root Services logistics efforts and associated DoD costs in support of Contingency Operations.

Times and Material Contracts in Southwest Asia. Objective: To determine whether time and material contracts were awarded and administered in accordance with the Federal Acquisition Regulation.

U.S. Central Command Government Purchase Card Program. Objective: To assess whether the U.S. Central Command's use of government purchase cards complies with applicable laws and regulations. The audit helps meet the statutory mandate to perform periodic audits of the Department of Defense management of purchase cards per Title 10, United States Code, Section 2784.

Use of Contractor to Provide Food Service or Food in Support of Operation Iraqi Freedom and Operation Enduring Freedom. Objective: To examine contracts and task orders awarded for the Army Subsistence Program and evaluate whether the Defense Personnel Support Center, Philadelphia, PA, properly defined the requirements, awarded the contracts, and administered the contracts in support of Operation Iraqi Freedom and Operation Enduring Freedom.

Use of Contracts to Provide Fuels in Support of the Warfighter. Objective: To determine the extent to which contractors are providing fuels instead of the Defense Energy Supply Center; how contract requirements, terms and conditions were developed; and the adequacy of cost controls.

Use of Other Transaction Authority for Prototypes. Objective: To determine whether the Military Departments and Defense Agencies are properly using the other transactions for prototypes to bring new contractors into the Department to support the Global War on Terror efforts.

FIRST QUARTER FY 2009 START

Contracting for Facilities Operations Support Services for Operation Iraqi Freedom and Operation Enduring Freedom. Objective: To examine contracts and task orders for facilities operations support services (housekeeping, trash/garbage removal, landscaping, etc.), development of contract requirements, award of contracts and task orders, and the administration of the contracts and task orders.

Controls Over Contractor Common Access Cards in the U.S. European Command. Objective: To evaluate the controls over the issuance, revocation, reverification, and recovery of contractor common access cards in the European theater.

Controls Over Unliquidated Obligations on U.S. Army Corps of Engineers Contracts Supporting the Global War on Terror. Objective: To determine the amount of unliquidated obligations on contracts and whether the U.S. Army Corps of Engineers has established adequate management controls over the unliquidated obligations.

Management and Accountability of Class III Bulk JP-8 Fuel Supporting the U.S. Central Command Operations in Qatar. Objective: To evaluate the management of Bulk Class III JP-8 fuel operations in Qatar supporting U.S. Central Command Global War on Terror missions.

Medical Prime Vendor Contracts in Support of Operation Iraqi Freedom and Operation Enduring Freedom. Objective: To examine contracts and task orders under the Defense Supply Center-Philadelphia Medical Prime Vendor Program for terms and conditions, price controls given increased demand, and the ability of contractors to provide supplies in a timely manner to the warfighter.

Private Security Contractors Use in Operation Iraqi Freedom. Objective: To determine whether terms and conditions for private security services are clearly defined in contracts, whether security services are performed in accordance with the requirements of the contract, and whether oversight of security contracts is adequate.

Use of Priority Air Cargo Transportation to Provide Materials and Supplies in Support of Operation Iraqi Freedom and Operation Enduring Freedom. Objective: To evaluate how the shipping requirement was determined in the award and terms of contracts and delivery orders and associated costs for the use of priority air transportation.

ONGOING PROJECTS

REPORTS PROJECTED THIRD QUARTER FY 2008

Contingency Construction Contracting Procedures Implemented by the Joint Contracting Command-Iraq/Afghanistan (D2007-D000LQ-0261.000). Objective: To determine the efficiency of contingency construction contracting procedures implemented by the Joint Contracting Command-Iraq/Afghanistan in the Afghanistan Area of Operations. Specifically, we will review the effectiveness of practices related to solicitation, award, quality assurance, oversight, and final acceptance of constructions projects.

DoD Supplemental and Cost of War Execution Report Sections Pertaining to Procurement and Research, Development, Test, and Evaluation Funds (D2006-D000AE-0241.001). Objective: To determine how effectively the Office of the Secretary of Defense and the DoD Components prepared the DoD Supplemental and Cost of War Execution Report for procurement and research, development, test, and evaluation funds.

DoD Use of Global War on Terror Supplemental Funding Provided for Procurement and Research, Development, Test, and Evaluation (D2006-D000AE-0241.002). Objective: To evaluate the adequacy of the DoD financial controls over use of Global War on Terror supplemental funding provided for procurement and research, development, test, and evaluation.

Internal Controls and Data Reliability in the Deployable Disbursing System (D2007-D000FL-0252.000). Objective: To determine whether the internal controls over transactions processed through the Deployable Disbursing System are adequate to ensure the reliability of the data processed. The audit will include financial information processed by disbursing stations supporting the Global War on Terror and will also include the recording of related obligations. This audit is a follow up on our "Audit of Internal Controls Over Out-of-Country Payments," D2006-D000FL-0208.000.

Summary of Issues Impacting Operations Iraqi Freedom and Enduring Freedom Reported by Major Oversight Organizations Beginning FY 2003 Through FY 2007 (D2007-D000XA-0249.000). Objective: To summarize contract, funds management, and other accountability issues identified in audit reports and congressional testimonies that discuss mission critical support to Operations Iraqi Freedom and Enduring Freedom.

REPORTS PROJECTED FOURTH QUARTER FY 2008

Contracts for Supplies Requiring Use of Radio Frequency Identification (D2008-D000AS-0022.000). Objective: To determine whether DoD Components are complying with policies on radio frequency identification. Specifically, we will determine whether DoD Components have prepared and implemented plans to use radio frequency identification. Additionally, we will assess whether DoD contracts issued since January 1, 2005, include requirements for using passive and active radio frequency identification tags and whether contractors are complying with those requirements.

Controls Over the Contractor Common Access Card Life Cycle (D2007-D000LA-0199.001). Objective: To determine whether controls over Common Access Cards provided to contractors are in place and work as intended. Specifically, we will determine whether DoD officials issue Common Access Cards to contractors, verify the continued need for contractors to possess Common Access Cards, and revoke or recover Common Access Cards from contractors in accordance with DoD policies and procedures.

Defense Hotline Allegations Concerning Contracts Issued by U.S. Army TACOM Life Cycle Management Command to BAE Systems Land and Armaments, Ground Systems Division (D2007-D000CK-0256.000). Objective: To review the allegations to the Defense Hotline concerning contracts issued by U.S. Army TACOM Life Cycle Management Command to BAE Systems Land and Armaments, Ground Systems Division. Specifically, we will determine whether contract award and administrative procedures were in compliance with Federal and DoD policy.

Distribution of Funds and the Validity of Obligations for the Management of the Afghanistan Security Forces Fund – Phase II (D2007-D000LQ-0161.001). Objective: To determine whether the distribution of the \$1.9 billion from the Afghanistan Security Forces Fund complied with the 11 provisions of Public Law 109-234 and applicable appropriations law. In addition, we will determine whether the Afghanistan Security Forces Fund was obligated in accordance with legislative intent and applicable appropriations law.

DoD Training for U.S. Ground Forces Supporting Operation Iraqi Freedom (D2007-D000LH-0108.001). Objective: To determine whether U.S. Ground Forces supporting Operation Iraqi Freedom are receiving training necessary to meet operational requirements. This project is addressing the adequacy of equipment levels at Army and Marine Corps combat training centers and mobilization stations for ground forces units deploying in support of Operation Iraqi Freedom.

Expeditionary Fire Support System and Internally Transportable Vehicle Programs (D2008-D000AB-0091.000). Objective: To determine whether contract competition and program administration for the United States Marine Corps Expeditionary Fire Support System and Internally Transportable Vehicle were in accordance with the Federal Acquisition Regulation and supporting DoD guidance.

Funds Appropriated for Afghanistan and Iraq Processed Through the Foreign Military Sales Trust Fund (D2007-D000FD-0198.000). Objective: To determine whether the funds appropriated for the security, reconstruction, and assistance of Afghanistan and Iraq and processed through the Foreign Military Sales Trust Fund are being properly managed. Specifically, we will determine whether the transfer of appropriated funds from the Army's accounts into the Foreign Military Sales Trust Fund was properly authorized, accounted for, and used for the intended purpose. We will also determine whether Foreign Military Financing funds granted to Afghanistan and Iraq are properly accounted for and used for their intended purpose. In addition, we will verify whether the appropriated funds are properly reported in DoD financial reports.

Hiring Practices Used to Staff the Iraqi Provisional Authorities (D2007-D000LC-0051.000). Objective: To evaluate the hiring practices that DoD used to staff personnel to the provisional authorities supporting the Iraqi government from April 2003 to June 2004. Specifically, we will determine the Process DoD used to assign personnel to the Office of Reconstruction and Humanitarian Assistance and the Coalition Provisional Authority in Iraq.

Joint Follow-on Evaluation of Equipment Status (D2008-D000LQ-0111.000). Objective: To determine whether forces deployed in support of Operation Iraqi Freedom have the equipment to complete their missions and to evaluate whether units completing combat missions had the proper equipment in accordance with mission requirements.

Marine Corps' Management of the Recovery and Reset Programs (D2007-D000LD-0129.000). Objective: To evaluate the effectiveness of the Marine Corps' Recovery and Reset Programs for selected equipment. Specifically, we will review how the Marine Corps met its equipment requirements through the Reset and Recovery Programs, whether it effectively repaired or replaced selected equipment, and whether the Marine Corps used funds for their intended purpose.

Military Construction Funds Related to the Global War on Terror (D2007-D000CK-0201.000). Objective: To determine whether DoD Components followed requirements for using operations and maintenance funds for Global War on Terror military construction. Specifically, we will determine whether DoD followed proper procedures for administering, executing, and reporting the use of operations and maintenance funds on Global War on Terror military construction contracts.

Procurement and Delivery of Joint Service Armor Protected Vehicles (D2007-D000CK-0230.000). Objective: To determine whether the Mine Resistant Ambush Protected vehicle program office is procuring armored vehicles in accordance with the Federal Acquisition Regulation and DoD requirements. Specifically, we will review Mine Resistant Ambush Protected program administration to determine whether the program office is taking appropriate actions to accelerate vehicle delivery to users. An additional objective will be to review the Services' requirements for Mine Resistant Ambush Protected and High Mobility Multipurpose Wheeled Vehicles.

Procurement and Use of Nontactical Vehicles at Bagram Air Field (D2008-D000LQ-0063.000). Objective: To determine the effectiveness of the process for procuring and leasing nontactical vehicles at Bagram Air Field, Afghanistan. We will also review the cost of operating and maintaining nontactical vehicles and determine whether the amount of use complies with DoD guidance.

Security Over Radio Frequency Identification Information (D2008-D000AS-0044.000). Objective: To determine whether DoD implemented security controls to protect radio frequency identification information. Specifically, we will assess the implementation and effectiveness of those security controls over the information.

Small Arms Ammunition Fund Management in Support of the Global War on Terror (D2008-D000FJ-0014.000). Objective: To determine whether the Military Departments properly managed small arms ammunition funds in support of the Global War on Terror. Specifically, we will determine whether financial management officials fully supported and properly incurred obligations and expenditures. We will also determine whether funds for small arms ammunition were accurately recorded in financial systems for reporting to the Office of the Secretary of Defense.

REPORTS PROJECTED FY 2009

Acquisition of Ballistic Glass Contracts for the High Mobility Multipurpose Wheeled Vehicle Variants (D2008-D000CE-0187.000). Objective: To determine whether the award and administration process of the High Mobility Multipurpose Wheeled Vehicle ballistic glass contracts comply with the Federal Acquisition Regulation.

Air Force Combat Search and Rescue Helicopter (D2008-D000AB-0133.000). Objective: To determine whether changes to Combat Search and Rescue Helicopter Key Performance Parameters were made in accordance with applicable DoD and Air Force acquisition guidelines. Specifically, we will determine whether key performance parameter changes were properly designated and appropriately vetted through the Joint Requirements Oversight Council. In addition, we will determine whether key performance parameter changes will affect Air Force special operations capabilities in the Global War on Terror.

Air Force Contract Augmentation Program in Southwest Asia (D2008-D000JC-0202.000). Objective: To evaluate controls over Air Force Contract Augmentation Program. We will determine what contracts have been awarded, whether contracts were properly awarded, whether contracted services were provided in accordance with the statement of work and whether contract payments were appropriate.

Assignment and Training of Contracting Officer's Representatives at Joint Contracting Command-Iraq/Afghanistan (D2008-D000JC-0203.000). Objective: To determine whether personnel assigned as Contracting Officer's Representatives to the Joint Contracting Command-Iraq/Afghanistan have proper training and expertise to perform their duties.

Class III Fuel Procurement and Distribution in Southwest Asia (D2008-D000JC-0186.000). Objective: To determine whether fuel used for ground operations in Southwest Asia to support Operations Iraqi Freedom and Enduring Freedom is procured and distributed efficiently and effectively. Specifically, we will determine whether fuel is procured at fair and reasonable prices, whether fuel is distributed economically and efficiently to operational commands, and whether fuel supply points maintain accurate inventories.

Control Over the Reporting of Transportation Costs in Support of the Global War on Terror (D2008-D000FI-0083.000). Objective: To evaluate the effectiveness of controls over the reporting of transportation costs related to the Global War on Terror.

Controls Over the Department of the Navy Military Payroll Disbursed in Support of the Global War on Terror (D2008-D000FC-0189.000) Objective: To determine whether the Department of the Navy is disbursing military payroll in support of the Global War on Terror in accordance with established laws and regulations. Specifically, we will determine whether the Department of the Navy maintains adequate support for payments related to deployments to an active combat zone.

Defense Emergency Response Fund for the Global War on Terror (D2008-D000FE-0106.000). Objective: To determine if the Defense Emergency Response Fund is used as intended and in adherence to the Office of Management and Budget guidance for the use of the funds. We will also determine if DoD has the ability to track the use of the Defense Emergency Relief Fund.

Defense Logistics Agency Contracts for Combat Vehicle Parts in Support of the Global War on Terror (D2008-D000FD-0214.000). Objective: To determine whether the Defense Logistics Agency used appropriate and effective contracting procedures to provide to customers the combat vehicle parts to support the Global War on Terror.

Distribution of Funds and the Validity of Obligations for the Management of the Afghanistan Security Forces Fund – Phase III (D2007-D000LQ-0161.002). Objective: To determine whether organizations in Southwest Asia that the U.S. Central Command assigned with the responsibility for managing the Afghanistan Security Forces Fund properly accounted for the goods and services purchased for the Afghanistan Security Forces using the Afghanistan Security Forces Fund and whether the goods and services were properly delivered to the Afghanistan Security Forces.

Marine Corps Implementation of the Urgent Universal Need Statement Process for Mine Resistant Ambush Protected Vehicles (D2008-D000AE-0174.000). Objective: To determine whether the Marine Corps decision making process responded appropriately and timely to Urgent Universal Need Statements submitted by field commanders for Mine Resistant Ambush Protected vehicles.

Organic Ship Utilization in Support of the Global War on Terror (D2008-D000AB-0193.000). Objective: To evaluate the effectiveness of policies and procedures used to ensure that activated Government-owned and Government-chartered vessels are used to the maximum extent prior to procuring commercial transportation to Southwest Asia.

Price Reasonableness for Contracts at U.S. Special Operations Command (D2008-D000CG-0123.000). Objective: To determine whether pricing of contracts at U.S. Special Operations Command complied with Federal Acquisition Regulation requirements for determining price reasonableness.

War Reserve Materiel Contract (D2008-D000CK-0161.000). Objective: To determine whether Air Force contracting officials managed and administered the DynCorp International War Reserve Materiel contract in accordance with Federal and DoD contracting policies. .



INSPECTOR GENERAL, DEPARTMENT OF STATE

PLANNED PROJECTS

THIRD QUARTER FY 2008 START

AUDIT

Personal Security Detail Contracts – Blackwater (Iraq) (with the Special Inspector General for Iraq Reconstruction) -- (Financial Related & Performance Audit)
New Embassy Compound Phase I (Performance Audit)
New Embassy Compound Phase II (Performance Audit)

FOURTH QUARTER FY 2008 START

AUDIT

Economic Support Fund – Afghanistan (Financial Related Audit)

MIDDLE EAST REGIONAL OFFICE

Personal Security Detail Contracts – Dyncorp and Triple Canopy – Iraq (Performance Audit)

- Kennedy Report on Worldwide Personal Protective Services – Private Security Contactors – Iraq (Program Evaluation)
- Role, Staffing, and Effectiveness of Diplomatic Security – Iraq (Performance Audit)

FIRST QUARTER FY 2009 START

AUDIT

Property Inventory and Accountability at Embassy Baghdad (Performance Audit)
(concurrent w/ Office of Inspections Inspection of Embassy Baghdad)

MIDDLE EAST REGIONAL OFFICE

Effectiveness of Worldwide Personal Protective Services contractors in Jerusalem
Emergency Action Plan of Embassies Baghdad and Kabul (Program Evaluation)

SECOND QUARTER FY 2009 START

AUDIT

Personal Security Detail Contracts – Dyncorp and Triple Canopy (Iraq) (Financial Related)

MIDDLE EAST REGIONAL OFFICE

Personal Security Detail (Worldwide Personal Protective Services) Contracts – Blackwater, Dyncorp, Triple Canopy Afghanistan

- Kennedy Report on Worldwide Personal Protective Services – Private Security Contactors – Afghanistan
- Role, Staffing, and Effectiveness of Diplomatic Security – Afghanistan (Financial Related and Performance Audit)

THIRD QUARTER FY 2009 START

INSPECTION

De-mining Programs in Iraq and Afghanistan (Program Evaluation)

FOURTH QUARTER FY 2009 START

AUDIT

Economic Support Funds – West Bank
Logistics Civil Augmentation Program Task Order #100

MIDDLE EAST REGIONAL OFFICE

Refugee Assistance and Human Rights in Afghanistan (Performance Audit)
Governing Justly and Democratically in Afghanistan (Performance Audit)
Embassy Baghdad/DoD Transition Plan (Joint with Inspector General, DoD) (Program Review)

FUTURE STARTS

IRAQ

Economic Support Funds – Iraq
Verbal Notices to Proceed (Task Orders) -- Worldwide Personal Protective Services
Diplomatic Security Armored Vehicle Procurement
Local Security Guard Program
Public Diplomacy Programs in Iraq
Democracy and Education Programs in Iraq
Follow-up Evaluations of Iraq Police Training
Follow-up Evaluations of Iraq Rule-of-Law Programs
Follow-up Evaluation of Anticorruption Programs in Iraq
Role, Function, and Effectiveness of Regional Embassy Offices in Iraq
Rightsizing (Staffing) of Embassy Baghdad
Follow-up on Role and Effectiveness of Provincial Reconstruction Teams in Iraq
Management of Iraq Security Programs
Review of Anti-Corruption Training and Development Programs in Iraq
Follow –up Review of Rule of Law Programs in Iraq
Review of Communications Security at Embassy Baghdad
Democracy Building: National Endowment for Democracy
Implementation of International Cooperative Administrative Support Services – Iraq

AFGHANISTAN

Public Diplomacy Programs in Afghanistan
Middle East Partnership Initiative
Follow-up Evaluation of Afghanistan Police Training
Follow-up Evaluation of Afghan Rule-of-Law Programs
Effectiveness of Counter Narcotic Programs in Afghanistan
Effectiveness of Security Assistance in Afghanistan
Management of Afghanistan Security Programs
Implementation of International Cooperative Administrative Support Services –
Afghanistan

PAKISTAN

Democracy and Education Programs in Pakistan
Federally Administered Tribal Areas in Pakistan
Effectiveness of Counter-narcotics Programs in Pakistan
Effectiveness of Security Assistance in Pakistan

OTHER

Middle East Partnership Initiative
Democracy and Education Programs in Lebanon
Security Assistance in Lebanon

ONGOING PROJECTS

Iraqi Special Immigrant VISA (Special Immigrant Visa) (Program Evaluation)
Iraqi Refugee Processing (Program Evaluation)



INSPECTOR GENERAL, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

PLANNED AUDITS – IRAQ

PERFORMANCE AUDITS

USAID/Iraq’s Community Stabilization Program. Objectives: (1) Is USAID/Iraq’s Community Stabilization Program achieving its intended result with regard to activities in the community infrastructure and essential services component? (2) How has USAID/Iraq designed and implemented its Community Stabilization Program to help ensure that Iraqis continue to benefit from its activities after USAID involvement has ended?
(Completed. Audit Report No. E-267-08-001-P, issued March 18, 2008)

USAID/Iraq’s Management of the Marla Ruzicka Iraqi War Victims Fund. Objective: Is USAID/Iraq complying with provisions contained in public laws to help ensure that funds appropriated for the Marla Fund are used as intended?
(Completed. Audit Report No. E-267-08-002-P, issued April 3, 2008)

USAID/Iraq’s Community Action Program II. Objectives: (1) Is USAID/Iraq accurately measuring the jobs created by its community action program activities? (2) Are USAID/Iraq’s community action program activities achieving intended results and what has been the impact?

USAID/Iraq’s Monitoring and Evaluation Performance Program. Objectives: (1) Is the Monitoring and Evaluation Performance Program, Phase II program producing monitoring and evaluation reports that are timely, relevant, and useful for performance management? (2) Is USAID/Iraq using Monitoring and Evaluation Performance Program, Phase II program results to manage its portfolio?

USAID/Iraq’s Management of Its Official Vehicle Fleet. Objective: Has USAID/Iraq acquired, utilized, and disposed of its official vehicles in accordance with USAID’s Automated Directives System?

Followup Audit of USAID/Iraq’s Local Governance Activities. Objective: Are USAID/Iraq’s local governance activities achieving intended results and what has been the impact?

USAID/Iraq’s National Capacity Development Program. Objective: Is USAID/Iraq’s national capacity development program achieving its intended results and what has been the impact of this program?

Followup Audit of Provincial Reconstruction Teams in Iraq. Objectives: (1) Are USAID/Iraq provincial reconstruction team representatives performing their roles as activity managers as intended? (2) How is USAID/Iraq assisting the provincial reconstruction teams in the transition to traditional USAID activities?

USAID/Iraq's Agribusiness Program. Objective: Is USAID/Iraq's agribusiness program achieving intended results and what has been the impact?

USAID/Iraq's Provincial Economic Growth Program. Objectives: (1) Have USAID/Iraq's provincial economic growth activities created an enabling environment for business operations and what has been the impact? (2) Are USAID/Iraq's grant activities under its provincial economic growth program achieving intended results and what has been the impact?

FINANCIAL AUDITS

Objectives: Financial audit objectives include determining whether (1) costs incurred and billed by the recipient are allowable, allocable and reasonable, (2) the recipient's internal control structure is adequate, and (3) the recipient complies with agreement terms and applicable laws and regulations. Audits are performed by the Defense Contract Audit Agency at the request of OIG, who then reviews and issues the reports to USAID with applicable recommendations. The following financial audits are planned for FY 2008:

- Direct Costs Incurred and Billed by Research Triangle Institute under Contract No. GHS-I-04-03-00028-00 from April 26, 2005 to December 31, 2006
(Completed. OIG Report No. E-267-08-001-D, issued October 4, 2007)
- Costs Incurred and Billed by Sallyport Global Services Ltd. under its Subcontracts with The Louis Berger Group, Inc. under USAID Contract Nos. 267-C-00-04-00417-00 for the Period September 27, 2004 through September 30, 2005 and 267-C-00-04-00435-00 for the Period August 1, 2005 through March 31, 2007
(Completed. OIG Report No. E-267-08-002-D, issued December 12, 2007)
- Costs Incurred and Billed by America's Development Foundation under Contract No. GEW-C-00-04-00001-00 from October 1, 2006 through June 30, 2007
(Completed. OIG Report No. E-267-08-003-D, issued January 23, 2008)
- Costs Incurred and Billed by Creative Associates International, Inc. under Contract No. EPP-C-00-04-00004-00 from July 1, 2005 through February 28, 2007
(Completed. OIG Report No. E-267-08-004-D, issued February 4, 2008)

- Costs Incurred and Billed by Management Systems International under USAID Contract No. AEP I-00-00-00024-00, Task No. 08, from June 26, 2003 through May 31, 2005
(Completed. OIG Report No. E-267-08-005-D, issued February 4, 2008)
- Costs Incurred and Billed by Bechtel National, Inc. under Contract Nos. EEE-C-00-03-00018-00 (Phase I) and SPU-C-00-04-00001-00 (Phase II) from November 1, 2006 to September 30, 2007
(Completed. OIG Report No. E-267-08-006-D, issued February 12, 2008)
- Cost Incurred and Billed by IntraHealth International, Inc. under its Subcontract No. 15-330-0208954 with Research Triangle Institute Contract No. GHS-1-04-03-00028-00 for the Period April 26, 2005 through December 31, 2006
(Completed. OIG Report No. E-267-08-007-D, issued February 24, 2008)
- Costs Incurred and Billed by International Business and Technical Consultants, Inc. (IBTCI) under Contract No. 267-C-00-05-00508-00 from January 1, 2006 through December 31, 2006
(Completed. OIG Report No. E-267-08-008-D, issued March 6, 2008)
- Costs Incurred and Billed by BearingPoint, Inc. under Contract No. 267-C-00-04-00405-00 for the Period October 1, 2006 through September 30, 2007
(Completed. OIG Report No. E-267-08-009-D, issued April 15, 2008)
- Costs Incurred and Billed by Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance under USAID Cooperative Agreement No. AFP-A-00-03-00003 for the Period August 1, 2004 through March 31, 2007
- Costs Incurred and Billed by the International Foundation for Election Systems through the Consortium for Election and Political Process Strengthening under [1] USAID Agreement No. 267-A-00-04-00405-00 for the period October 1, 2005 through June 30, 2007, [2] USAID Agreement No. AFP-A-00-04-00014-00 for the period July 9, 2004 through June 30, 2006, and [3] USAID Agreement No. REE-A-00-04-00050-00 for the period July 26, 2004 through July 31, 2006
- Costs Incurred and Billed by America's Development Foundation under USAID Contract No. GEW-C-00-04-00001-05 for the Period October 1, 2006 through June 30, 2007
- Costs Incurred and Billed by International Relief & Development, Inc. under USAID Agreement No. AFP-A-00-03-0002-00 for the Period November 1, 2005 through March 31, 2007

- Costs Incurred and Billed by Cooperative Housing Foundation International under USAID Agreement No. AFP-A-00-0300004-00 for the Period August 1, 2005 through April 30, 2007 and under USAID Agreement No. 267-A-00-06-00507-00 for the Period September 30, 2006 through September 30, 2007
- Costs Incurred and Billed by Mercy Corps under USAID Agreement No. AFP-A-00-03-00001-00 for the Period August 1, 2004 through March 31, 2007
- Costs Incurred and Billed by Save the Children Federation under USAID Agreement No. AFP-A-00-03-00005-00 for the Period August 1, 2004 through April 1, 2006
- Agreed-upon Procedures Review of Direct and Indirect Costs Incurred by Research Triangle Institute under USAID Contract Nos. EDG-C-00-00010-00, 267-C-00-05-00505-00, and GHS-I-04-03-00028-00 Relating to Payments to Business Systems House during the Period March 26, 2003 through September 30, 2007
- Costs Incurred and Billed by International Relief & Development, Inc. under USAID Agreement No. 267-A-00-06-00503-00 for the Period May 29, 2006 through September 30, 2007
- Costs Incurred and Billed by BearingPoint, Inc. under USAID Contract No. 267-C-00-04-00405-00 for the Period August 1, 2005 through September 30, 2006
- Costs Incurred and Billed by Louis Berger Group/The Services Group, Inc. under USAID Contract No. 267-C-00-04-00435-06 for the Period October 1, 2006 through September 30, 2007
- Costs Incurred and Billed by Management Systems International under USAID Contract No. AEP-I-01-05-00221-00 for the Period July 27, 2006 through September 30, 2007
- Agreed-Upon Procedures Review of Requests for Equitable Adjustments Related to Excusable Delays by Bechtel National, Inc. under USAID Contract No. SPU-C-00-04-00001-00 for the Period January 5, 2004 through March 31, 2007 and Contract No. EEE-C-00-03-00018-00 for the Period April 17, 2003 through February 28, 2006
- Costs Incurred and Billed by International Resources Group under USAID Contract No. 517-C-00-04-00106-00 for the Period November 1, 2006 through December 31, 2007

- Costs Incurred and Billed by Research Triangle Institute under USAID Contract No. 267-C-00-05-00505-00 for the Period January 1, 2007 through December 31, 2007
- Costs Incurred and Billed by Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance under USAID Cooperative Agreement No. AFP-A-00-03-00003 for the Period August 1, 2004 through March 31, 2007
- Costs Incurred and Billed by Louis Berger Group, Inc. for the Period May 14, 2007 through May 13, 2008
- Costs Incurred and Billed by the International Foundation for Election Systems through the Consortium for Election and Political Process Strengthening under USAID Agreement No. 267-A-00-04-00405-00 from July 1, 2007 through June 30, 2008
- Costs Incurred and Billed by International Business & Technical Consultants, Inc. under USAID Contract No. 267-C-00-05-00508-00 for the Period January 1, 2007 through December 31, 2007

PLANNED PROJECTS - AFGHANISTAN

PERFORMANCE AUDITS

USAID/Afghanistan's Agriculture, Rural Investment and Enterprise Strengthening Program. Objective: Was USAID/Afghanistan's Agriculture, Rural Investment and Enterprise Strengthening Program achieving its intended results and what has been the impact? (Completed. Audit Report No. 5-306-08-001-P, issued January 22, 2008)

USAID/Afghanistan's Alternative Development Program – Southern Region. Objective: Did USAID/Afghanistan's Alternative Development Program/South achieve planned results, and what has been the impact? (Completed. Audit Report No. 5-306-08-003-P, issued March 17, 2008)

USAID/Afghanistan's Accelerating Sustainable Agriculture Program. Objective: Did USAID/Afghanistan's Accelerating Sustainable Agriculture Program achieve planned results, and what has been the impact?

USAID/Afghanistan's Technical Assistance Services to Implement the Small and Medium Sized Enterprise Development Activity in Afghanistan. Objective: Did USAID/Afghanistan's Technical Assistance Services to Implement the Small and Medium Sized Enterprise Development Activity achieve planned results, and what has been the impact?

USAID/Afghanistan's Higher Education Project. Objective: Did USAID/Afghanistan's Higher Education Project achieve planned results, and what has been the impact?

USAID/Afghanistan's Local Governance and Community Development Project in Northern and Western Regions of Afghanistan. Objective: Did USAID/Afghanistan's Local Governance and Community Development Project achieve planned results, and what has been the impact?

USAID/Afghanistan's Building Capacity Program. Objective: Did USAID/Afghanistan's Building Capacity Program achieve planned results, and what has been the impact?

USAID/Afghanistan's School and Health Clinic Buildings Completed Under the Schools and Clinics Construction and Refurbishment Program. Objective: Did USAID/Afghanistan's School and Health Clinic Buildings Completed under the Schools and Clinics Construction and Refurbishment Program achieve planned results, and what has been the impact?

Selected Activities Funded Under USAID/Afghanistan's \$1.4 Billion Infrastructure Rehabilitation Program. Objective: Did Selected Activities Funded under USAID/Afghanistan's \$1.4 billion Infrastructure Rehabilitation Program achieve planned results, and what has been the impact?

FINANCIAL AUDITS

Objectives: Financial audit objectives include determining whether (1) costs incurred and billed by the recipient are allowable, allocable and reasonable, (2) the recipient's internal control structure is adequate, and (3) the recipient complies with agreement terms and applicable laws and regulations. Audits are performed by the Defense Contract Audit Agency or non-Federal auditors. The OIG reviews and issues the reports to USAID with applicable recommendations. The following financial audits are planned for FY 2008:

- Local Costs incurred by the Louis Berger Group, Inc. to Implement the Rehabilitation of Economic Facilities and Services Program, USAID/Afghanistan Contract No. 306-C-00-02-00500-00, for the Period from April 1, 2007, to June 30, 2007
(Completed. OIG Report No. 5-306-08-001-N, issued November 27, 2007)
- Closeout Audit of the Project Titled "Business Advisory Services to Small and Medium-Sized Enterprises (SMEs) in Afghanistan," USAID/Afghanistan Cooperative Agreement No. 306-A-00-04-00570-00, Managed by Acap Management Limited, for the Period from September 30, 2004, to March 29, 2007
(Completed. OIG Report No. 5-306-08-019-R, issued April 25, 2008)

- Costs Incurred by DEG (Deutsche Investitions Entwicklungsgesellschaft mbH), USAID/Afghanistan Agreement No. 306-A-00-05-00512-00, for the Period from February 3, 2005, to August 2, 2008
- Costs incurred by Bearing Point, Inc. to Implement the Economic Governance in Afghanistan (BP I), USAID/Afghanistan Contract No. 306-C-00-03-00001-00, for the Period from November 17, 2002, to December 15, 2005
- Costs incurred by PTS (Program-e Tahkim-e Solh) to Implement the National Commission For Peace and Reconciliation, USAID/Afghanistan Agreement No. 306-PIL-07-3060004-00, for the Period from April 1, 2007, to March 31, 2008
- Costs incurred by Bearing Point, Inc. to Implement the Strengthening Private Sector through Capacity Building (BP III), USAID/Afghanistan Contract No. GEG-I-00-04-00004-00, for the Period from September 26, 2005, to December 31, 2007
- Costs incurred by AEAI-Advance Engineering Associates, International to Implement the Afghanistan Energy Assistance Project, USAID/Afghanistan Contract No. EPP-I-00-03-00004-00, for the Period ended December 31, 2007
- Quarterly Audits of Local Costs incurred by the Louis Berger Group, Inc. to Implement the Afghanistan Infrastructure Reconstruction Program (AIRP), USAID/Afghanistan Contract No. 306-I-00-06-00517-00

PLANNED PROJECTS – REST OF ASIA

PERFORMANCE AUDITS

USAID/Indonesia’s Tsunami-Related Housing Construction Activities Implemented by Cooperative Housing Foundation International. Objective: Were USAID/Indonesia’s tsunami-related housing construction activities being implemented by the Cooperative Housing Foundation International (CHF) achieving planned results?
(Completed. Audit Report No. 5-497-08-002-P, issued January 31, 2008)

USAID/Pakistan’s Education Sector Reform Assistance Program. Objective: Did USAID/Pakistan’s Education Sector Reform Assistance program achieve intended results and what has been the impact?
(Completed. Audit Report No. 5-391-08-004-P, issued March 28, 2008)

USAID/India’s Greenhouse Gas Pollution Prevention Project. Objective: Did USAID/India’s Greenhouse Gas Pollution Prevention Project achieve planned results, and what has been the impact?

USAID/Mongolia’s Economic Policy Reform and Competitiveness Project. Objective: Did USAID/Mongolia’s Economic Policy Reform and Competitiveness Project achieve planned results, and what has been the impact?

USAID/Nepal’s Health Program. Objective: Did USAID/Nepal’s Health Program achieve planned results, and what has been the impact?

Critical USAID/Philippines’ Activities under its Growth with Equity in Mindanao II Program Implemented by Louis Berger Group, Inc. Objective: Did Critical USAID/Philippines’ Activities under its Growth with Equity in Mindanao II Program achieve planned results, and what has been the impact?

FINANCIAL AUDITS

Objectives: Financial audit objectives include determining whether (1) costs incurred and billed by the recipient are allowable, allocable and reasonable, (2) the recipient’s internal control structure is adequate, and (3) the recipient complies with agreement terms and applicable laws and regulations. Financial audits are conducted primarily of non-U.S. based organizations throughout the rest of Asia by non-Federal auditors. Non-U.S. recipients are required to have financial audits done if they spend more than \$300,000 of USAID funds during their fiscal year. Financial audit reports conducted by non-Federal auditors are reviewed by the OIG office in Manila, Philippines, and the reports transmitted with applicable recommendations to the responsible USAID mission in the region. OIG expects to issue over 30 financial audit reports to USAID missions in the region, in addition to Iraq and Afghanistan, during FY 2008.



SPECIAL INSPECTOR GENERAL FOR IRAQ RECONSTRUCTION

PLANNED PROJECTS

THIRD QUARTER FY 2008 START

Follow-on Review of Iraq Security Forces Strength Accounting Methodologies, Including Use of Automated Systems (8024).

Follow-on Review of the Transition of Iraq Reconstruction Projects to the Government of Iraq (8022).

Iraq Reconstruction Management System (8027).

Progress and Plans to Transition Infrastructure Development for Iraqi Security Forces to the Iraqi Government (8026).

Reconstruction Contracts/Task Orders Terminated for Convenience or Default (8020) (follow-on to 7029).

Survey of Department of State and U.S. Agency for International Development Contracts and Grants for Democracy Building Projects in Iraq (8025).

Survey of Overall Economic Support Fund Programs Management and Expenditures (8021).

Triple Canopy Private Security Contract – Department of State (8028). Note: Assignment expected to identify agency unique focus on security contracting issues related to Iraq reconstruction under Section 842 legislation as well as identify issues that may require more in-depth audit focus on a cross-agency basis once results of this review are considered along with results from other ongoing reviews.

START (TO BE DETERMINED)

Assessing Progress, Trends, and Cross-Program Coordination Related to Economic Development in Iraq (include DoD economic development efforts).

Individual U.S. Agency for International Development Democracy Building Program (Program Effectiveness Reviews). Placeholder for potential future program review of individual democracy building programs that may be identified in ongoing survey of Department of State and U.S. Agency for International Development contracts and grants management of democracy building programs related to Iraq reconstruction (see project code 8025)

Iraq Related Operating Expenses of U.S. Agencies Supporting Iraq Reconstruction

Ministerial Capacity Development Follow-on.

Progress in Improving Infrastructure Security Across Key Sectors (oil, electricity, water, sewer, etc.).

Provisional Reconstruction Teams/Provisional Reconstruction Teams Follow-on

Selected Commander Emergency Response Program Contracts. (Placeholder for individual audits of selected contracts related to construction and on-construction projects)

Selected Gulf Region Division Economic Support Fund Contracts. (Placeholder—priorities TBD based on results of project code 8025)

Selected Iraq Security Forces Fund Contracts. (Placeholder—priorities TBD based on other ongoing Iraq Security Forces Fund Contract work)

Selected Programs' Cash Controls and Cash Payments

Selected Security Contracts and Subcontracts. (Placeholder pending developing of listing of contracts and subcontracts to develop a sample of contracts and subcontracts to review)

Selected U.S. Agency for International Development Economic Support Fund Contracts. (Placeholder—priorities TBD based on results of project code 8025)

Survey of Present Use of Sole Source and Limited Competition in Contracting.

Triple Canopy Private Security Contracts-DoD. Note: Assignment expected to identify agency unique focus on security contracting issues under Section 842 legislation related to Iraq reconstruction as well as identify issues that may require more in-depth audit focus on a cross-agency basis once results of this review are considered along with results from other ongoing reviews.

Washington International and Black and Veatch Contracts—Water Sector.

ONGOING PROJECTS

Aegis Private Security Contract (8017). Note: Assignment is expected to be used to identify DOD/GRD unique security contracting and subcontracting issues that will help frame future security contracting reviews, particularly at the subcontractor level.

First 100 Audit Reports—Capping Report.

Joint SIGIR Department of State Inspector General Review of Spending Under Blackwater Contracts (7018).

Spending and Performance Under Development Alternatives Inc. (DAI) Contracts – Economic Development (7026).

Spending and Performance Under KBR Contracts – Oil Sector (8003).

Spending of United States Government Funds in Support of Iraq Reconstruction: Fluor-AMEC Joint Venture in the Electric and Public Works/Water Sectors (7022).

Spending of United States Government Funds in Support of Iraq Reconstruction: Research Triangle Institute (7023).

Spending of United States Government Funds Under Parsons, Inc., Iraq Reconstruction Contracts (S&J) (8006).

Survey of U.S. Government Contracts Related to the Performance of Security Functions in Iraq (8016). Note: Assignment expected to lead to fuller identification of contractors and subcontractors—and data needed to identify individual potential contract audits to be done under the Section 842 legislation related to Iraq reconstruction—as well as individual reviews of selected program and policy issues as may be required.



U.S. ARMY AUDIT AGENCY

PLANNED PROJECTS

THIRD QUARTER FY 2008 START

Army Reserve Post - Mobilization Training (A-2008-FFS-0504.000). Objective: (1) Are post-mobilization training requirements adequately identified and executed for the Army Reserve? (2) Are all necessary unit and individual training requirements identified and completed prior to deployment? (3) Did post-mobilization training requirements unnecessarily duplicate pre-mobilization training?

Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan – Kabul (A-2008-ALL-0401.000). Objective: Determine if goods and services acquired under contract were properly justified, awarded, and administered.

Follow up Audit of Logistics Civil Augmentation Program III Audits (A-2008-ALL-0321.000). Objective: Determine if the Army implemented agreed to recommendations and corrected the problems identified in the previous audit.

Long Lead Items for Reset (A-2008-ALM-0102.000). Objective: Are long lead items requirements valid and aimed at obtaining materiel just in time to meet the Army's needs?

National Guard Post - Mobilization Training (A-2008-FFS-0505.000). Objective: (1) Are post-mobilization training requirements adequately identified and executed for the National Guard? (2) Are all necessary unit and individual training requirements identified and completed prior to deployment? (3) Did post-mobilization training requirements unnecessarily duplicate pre-mobilization training?

Sustainment of Left Behind Equipment (A-2008-ALM-0247.000). Objective: Did the Army effectively and efficiently manage accountability and maintenance of its Continental United States left behind equipment?

FOURTH QUARTER FY 2008 START

Class V Retrograde Operations (A-2008-ALL-0397.000). Objective: (1) Determine if the Army has adequate processes and procedures in place to properly retrograde ammunition from Southwest Asia. (2) Determine if the Army has adequate accountability and visibility over ammunition.

Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan – Fallujah (A-2008-ALL-0400.000). Objective: Determine if goods and services acquired under contract were properly justified, awarded, and administered.

Controls Over Logistics Civil Augmentation Program - White Property (A-2008-ALL-0398.000). Objective: Determine if the Logistics Civil Augmentation Program contractor properly managed and accounted for government acquired property.

Controls Over Vendor Payments – Kuwait (A-2008-ALL-0501.000). Objective: Evaluate the controls over vendor payments made on contracts awarded in Kuwait.

Housing Contracts- Area Support Group – Kuwait (A-2008-ALL-0403.000). Objective: (1) Determine whether the housing program in Kuwait is properly managed. (2) Determine if property or assets provided by the Government and acquired by the contractor are adequately managed.

Managing Reset, U.S. Army Pacific (A-2008-FFP-0506.000). Objective: Evaluate development and execution of reset requirements.

Retrograde Exit Strategy (A-2008-ALL-0402.000). Objective: Evaluate the Army's exit strategy to determine if high volume equipment and supply retrograde operations were adequately planned and executable for Southwest Asia.

FIRST QUARTER FY 2009 START

Single Channel Ground and Airborne Radio System Requirements (A-2008-ALA-0468.000). Objective: Determine the proper alignment of Single Channel Ground and Airborne Radio System requirements to short-term needs; and modernization plans to transition to the Joint Tactical Radio System.

SECOND QUARTER FY 2009 START

Controls Over Vendor Pay - Joint Contracting Command (Iraq) (A-2008-ALL-0399.000). Objective: Evaluate the controls over vendor payments made on contracts awarded in Iraq.

Government Purchase Card Program in Southwest Asia. Objective: Evaluate the effectiveness of management controls over the government purchase card program. Specifically, determine if use of purchases cards were in accordance with established guidance, and goods and services acquired were adequately accounted for.

Information Assurance and Infrastructure in Southwest Asia. Objective: Determine whether the Army's controls and procedures protect and defend the integrity, confidentiality and availability of information and information systems during a contingency operation.

Logistics Civil Augmentation Program Operations IV in Support of Operation Enduring Freedom. Objective: To determine if services awarded under Logistics Civil Augmentation Program IV in Afghanistan were managed in a reasonable and cost-effective manner.

Logistics Civil Augmentation Program Operations IV in Support of Operation Iraqi Freedom. Objective: To determine if services awarded under Logistics Civil Augmentation Program IV in Iraq were managed in a reasonable and cost-effective manner.

Requirements Validation for Continental United States Based Mobilized Soldiers (A-2008-FFS-0443.000). Objective: (1) Determine if Soldiers mobilized to support contingency operations outside of theater continue to have valid mission essential requirements. (2) Determine the force structure impacts of the continued use of Soldiers mobilized to support contingency operations outside of theater operations.

Reserve Component Mobilization Strategy. Objective: Is the Reserve Component training strategy viable to meet Army Force Generation goals and the 12 month mobilization limitations?

Retrograde Exit Strategy – Continental United States. Objective: Evaluate the Army's exit strategy to determine if high volume equipment and supply retrograde operations were adequately planned and executable for Southwest Asia.

Transition from Logistics Civil Augmentation Program Operations to Sustainment Contracts – Iraq. Objective: Determine if the Army implemented best business practices to transition work performed under the Logistics Civil Augmentation Program contract to sustainment contracts.

Unit Training to Defeat Improvised Explosive Devices (A-2008-FFF-0081.000). Objective: Are units conducting appropriate training to counter the Improvised Explosive Devices threat?

Use of Non-Tactical Vehicles – Iraq. Objective: Determine if the Army effectively utilized its non-tactical vehicle fleet in a contingency environment.

ONGOING PROJECTS

REPORTS PROJECTED THIRD QUARTER FY 2008

Accounting for Seized and Developmental Fund-Iraq Fund Balances (A-2007-FFM-0882.000). Objective: (1) What are the residual balances for seized and Developmental Fund-Iraq funds? (2) Are the balances reasonable and ready for transfer?

Advanced Training for Explosive Ordnance Disposal Soldiers (A-2008-FFD-0098.000). Objective: (1) Has Improvised Explosive Device defeat methods been fully integrated into advanced training for Explosive Ordnance Disposal Soldiers? (2) Has training for new equipment fielded during OIF/OEF been fully integrated into advanced training for Explosive Ordnance Disposal Soldiers?

Battle Loss Computations (A-2007-ALM-0305.000). Objective: Did the Army properly identify and adjust requirements and funding to replace Operational losses?

Billing for Container Detention Penalties (A-2007-ALR-0259.002). Objective: Are container detention charges relating to the Global War on Terror billed to the responsible activity?

Body Armor Requirements (A-2007-FFD-0067.000). Objective: (1) Has the Army established adequate quantitative requirements for the procurement of body armor? Does the Army have an adequate fielding plan for body armor?

Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan – Baghdad (A-2007-ALL-0887.001). Objective: Determine if goods and services acquired under contract were properly justified, awarded, and administered.

Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan – Victory (A-2007-ALL-0887.002). Objective: Determine if goods and services acquired under contract were properly justified, awarded, and administered.

Contract Operations U.S. Army Accessions Command -Southwest Asia-Kuwait (A-2007-ALL-0329.000). Objective: (1) Evaluate the effectiveness of contracting operations at U.S. Army Contracting Command Southwest Asia-Kuwait. (2) Determine whether contracting operations were performed in accordance with appropriate laws and regulations.

Followup Audit of Asset Visibility and Container Management (A-2007-ALL-0081.002). Objective: Determine if the U.S. Central Command implemented agreed to recommendations and fixed the problems identified in the previous audit report.

Management and Use of Contractor Acquired Property Under the Logistics Civil Augmentation Program Contract - Power Generators (A-2007-ALL-0212.001). Objective: Determine if power generators (property) acquired were effectively managed and used under the Logistics Civil Augmentation Program contract.

Management of Shipping Containers in Southwest Asia – Afghanistan (A-2007-ALL-0081.005). Objective: Determine if the Army maintained adequate visibility over shipping containers to, within, and from the Southwest Asia Theater of Operations.

Management of Shipping Containers in Southwest Asia – Continental United States (A-2007-ALL-0081.006). Objective: Determine if the Army maintained adequate visibility over shipping containers to, within, and from the Southwest Asia Theater of Operations.

Management of Shipping Containers in Southwest Asia - Kuwait (A-2007-ALL-0081.003). Objective: Determine if the Army maintained adequate visibility over shipping containers to, within, and from the Southwest Asia Theater of Operations.

Management of Shipping Containers in Southwest Asia – Summary (A-2007-ALL-0081.000). Objective: Determine if the Army maintained adequate visibility over shipping containers to, within, and from the Southwest Asia Theater of Operations.

Retrograde Operations in Southwest Asia - Iraq (A-2006-ALL-0397.000). Objective: (1) Determine whether retrograde operations in the Southwest Asia area of operations are managed in an effective and cost-efficient manner. (2) Determine whether adequate accountability and visibility were maintained over retrograded materiel and equipment.

Retrograde Operations in Southwest Asia - Kuwait (A-2007-ALL-0858.000). Objective: (1) Determine whether retrograde operations in the Southwest Asia area of operations are managed in an effective and cost-efficient manner. (2) Determine whether adequate accountability and visibility were maintained over retrograded materiel and equipment.

Retrograde Operations in Southwest Asia - Kuwait (Rear Support) (A-2007-ALL-0858.001). Objective: (1) Determine whether retrograde operations in the Southwest Asia area of operations are managed in an effective and cost-efficient manner. (2) Determine whether adequate accountability and visibility were maintained over retrograded materiel and equipment.

Temporary Change of Station Orders and Housing for Mobilized Soldiers (A-2007-FFS-0917.000). Objective: (1) Are policy and procedures governing the development of Temporary Change of Station orders adequate to ensure valid travel entitlements and proper authorizations? (2) Are policy and procedures governing the approval for payment of travel vouchers adequate to ensure care and prudent use of travel funds for mobilized Soldiers? (3) Do Army installations have sufficient and cost-effective lodging to support Soldiers mobilizing to the National Capital Region?

Theater Maintenance Processes in Europe (A-2008-ALE-0071.000). Objective: Were theater maintenance processes structured and administered to meet reset goals and provide the best value?

Use of Role Players at Combat Training Centers (A-2007-FFF-0415.000). Objective: (1) Is the Army's process for acquiring role-players for the Combat Training Centers effective and efficient? (2) Is the logistical support provided for role-players at the Combat Training Centers consistent and cost-effective? (3) Does the Army adequately manage its role-players at the Combat Training Centers?

REPORTS PROJECTED FOURTH QUARTER FY 2008

Accountability of Contractors on the Battlefield (A-2007-FFS-0553.000). Objective: (1) Has the Army established direct authority and identified the roles and responsibilities for accountability of contractors on the battlefield? (2) Does the Synchronized Predeployment and Operational Tracker provide accurate, complete and relevant information for functional management of deployed Army contractor assets in theater? (3) Are the existing and proposed new processes and procedures for accounting for Army contractors within Iraq and Kuwait adequate?

Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan – Bagram (A-2008-ALL-0320.001). Objective: Determine if goods and services acquired under contract were properly justified, awarded, and administered.

Contracting Operations at the Joint Contracting Command - Iraq/Afghanistan – Balad (A-2008-ALL-0319.000). Objective: Determine if goods and services acquired under contract were properly justified, awarded, and administered.

Establishing Rates for Shipping Containers (A-2007-ALR-0259.001). Objective: Are customer billing rates for break-bulk and container shipments based on appropriate costs?

Follow Up of Offline Purchases (A-2008-ALL-0466.000). Objective: Determine if the Army implemented agreed to recommendations and corrected the problems identified in the previous audit.

Government Property Provided to Contractors - Kuwait Base Operations (A-2008-ALL-0204.000). Objective: Determine whether the Army has adequate management and visibility over Government property provided to contractors for base support operations.

Impact of Mine Resistant Ambush Protected Vehicle Acquisitions on Other Systems (A-2007-ALA-0978.000). Objective: Did the Army adequately plan, assess, and adjust its requirements for new and existing vehicle systems impacted by the acquisition and deployment of the Mine Resistant Ambush Protected vehicle system?

Operational Purchases of Information Technology Equipment, Systems and Services - Forces Command (A-2005-FFI-0487.000). Objective: (1) Were controls over operational purchases and leases of information technology and communications equipment, systems, and services by U.S. Army Forces Command deploying units effective and operating? (2) Did units utilize appropriate funding sources for information technology and communications equipment purchases made in support of deployments?

Operational Purchases of Information Technology Equipment, Systems and Services - Iraq and Kuwait (A-2005-FFI-0487.001). Objective: Were controls over purchases and leases of information technology and communications equipment, systems, and services in place and operating effectively for units deployed in support of Operation Iraqi Freedom?

Reset Metrics (A-2007-ALM-0733.000). Objective: Did the Army have adequate processes to accurately report the status of reset and associated funding to Congress?

U.S. Army Corps of Engineer Contract Functions in Iraq (A-2008-ALL-0318.000).

Objective: (1) Determine if contract requirements were correctly identified and resulted in acquisitions that met the needs of the Army. (2) Determine if deliverables were monitored to ensure products and services were provided in accordance with the terms of the contract. (3) Determine if contract closeout practices for terminated contracts were adequate and in the best interest of the Army. (4) Determine if contract award fee practices were adequate.

REPORTS PROJECTED FIRST QUARTER FY 2009

Army Reserve Pre-mobilization Training (A-2008-FFS-0101.000). Objective: (1) Are pre-mobilization training requirements adequately identified and executed for the Army Reserve? (2) Are all necessary unit and individual training requirements completed prior to mobilization? (3) Are training requirements maximized at pre-mobilization in order to minimize post-mobilization training?

Automatic Reset Items (A-2008-ALM-0312.000). Objective: (1) Is the Automatic Reset Induction effectively supporting equipment requirements in the Army Force Generation model?

Contracts for Reset (A-2007-ALM-0306.000). Objective: Did the Army have adequate oversight of field level reset requirements to effectively plan for contract maintenance support?

National Guard Pre-mobilization Training (A-2008-FFS-0353.000). Objective: (1) Are pre-mobilization training requirements adequately identified and executed for the National Guard? (2) Are all necessary unit and individual training requirements completed prior to mobilization? (3) Are training requirements maximized at pre-mobilization to minimize post-mobilization training?

Property Book Unit Supply Enhanced, 3rd Infantry Division (A-2008-ALR-0307.000). Objective: Determine if units used the Property Book Unit Supply Enhanced system to properly account for equipment and maintain accurate data.

Property Book Unit Supply Enhanced, 10th Mountain Division (A-2008-ALR-0360.000). Objective: Determine if units used the Property Book Unit Supply Enhanced system to properly account for equipment and maintain accurate data.

Property Book Unit Supply Enhanced, I Corps (A-2008-ALR-0357.000). Objective: Determine if units used the Property Book Unit Supply Enhanced system to properly account for equipment and maintain accurate data.

Property Book Unit Supply Enhanced; Summary Report (A-2008-ALR-0039.000). Objective: Determine if units used the Property Book Unit Supply Enhanced system to properly account for equipment and maintain accurate data.

Rapid Fielding Initiative (A-2007-ALA-0410.000). Objective: Validate: rapid fielding initiative requirements; the adequacy of the process used to resource rapid fielding initiative acquisitions; and plans to institutionalize rapid fielding initiative.

Use of Role Players Armywide (less Combat Training Centers) (A-2008-FFF-0148.000).

Objective: (1) Is the Army's process for acquisition and use of Role-players for training cost-effective? (2) Is the logistical support provided to Role-Players consistent and cost effective? (3) Is the oversight and administration of Role-Player contractors adequate?

REPORTS PROJECTED SECOND QUARTER FY 2009

Army Foreign Language Program – Contracting (A-2007-ZBI-0344.003). Objective:

(1) Determine if the Army Foreign Language Program adequately identifies and receives contracted linguists to support mission requirements. (2) Determine if procedures and practices for awarding and justifying language contracts were adequate and in the best interest of the Army.

Directorate of Logistics Workload Supporting Reset (A-2008-ALM-0311.000).

Objective: Did Army garrisons have an adequate process in place to identify and meet field level reset requirements in support of the Army Force Generation model?

Management of the Prepositioned Fleet at Combat Training Centers (A-2008-FFF-0044.000). Objective: (1) Are the pre-positioned fleets adequately configured? (2) Are rotational units effectively using the pre-positioned fleets? (3) Are the maintenance costs for the pre-positioned fleets reasonable?



AIR FORCE AUDIT AGENCY

PLANNED PROJECTS

THIRD QUARTER FY 2008 START

AFCENT Deployed Locations Information Technology Equipment Accountability and Control (Project Number F2008-FD3000-0418). Objective: To evaluate United States Central Command Air Forces (AFCENT) information technology equipment accountability and control. Specifically, evaluate equipment requirements determination; accountability and control; and disposal.

AFCENT Management of Controlled Drugs (Project Number F2008-FD2000-0411). Objective: To determine whether medical personnel properly manage controlled drugs. Specifically, determine whether personnel properly receive, issue, store, and protect controlled drugs.

AFCENT Area of Responsibility Construction (Project Number F2008-FD1000-0419). Objective: To determine if AFCENT area of responsibility construction efficiently and effectively meets mission requirements. Specifically, determine if construction projects provide in-theater benefits and meet desired mission capabilities; personnel utilize existing, temporary, or movable facilities when possible; and personnel properly program, authorize, and document operations and maintenance funding for construction.

ONGOING PROJECTS

REPORTS PROJECTED THIRD QUARTER FY 2008

AFCENT Aerial Port Operations (Project Number F2007-FD3000-0725). Objective: To determine whether Air Force personnel effectively managed aerial port operations within the CENTCOM area of responsibility. Specifically, determine whether Air Force personnel efficiently utilized airlift capacity, effectively managed cargo and passenger travel reimbursements in the area of responsibility, and effectively managed cargo and passenger movement.

AFCENT Civil Engineering Material Acquisition (Project F2007-FD1000-0830). Objective: To determine whether AFCENT effectively managed Civil Engineering material at deployed locations. Specifically, determine whether Civil Engineering personnel properly approved material purchases, obtained the most cost effective materials, and accounted for materials.

REPORTS PROJECTED FOURTH QUARTER FY 2008

AFCENT Munitions Management (Project Number F2007-FD3000-0777). Objective: To determine whether Air Force personnel properly manage munitions in the AFCENT Area of Responsibility. Specifically, determine whether personnel (a) properly account for, store and secure munitions inventories; and (b) accurately forecast munitions requirements.

AFCENT Deployed Locations War Reserve Materiel (Project Number F2007-FD3000-0781). Objective: To determine whether AFCENT personnel effectively manage war reserve materiel in the AFCENT Area of Responsibility. Specifically, determine whether AFCENT personnel accurately maintain war reserve materiel quantities on-hand to meet anticipated mission needs; appropriately use war reserve materiel assets for intended purposes; and properly manage war reserve materiel inventory by accounting for, maintaining, marking and storing on-hand war reserve materiel assets.

Pallet Management (Project F2007-FC4000-0034). Objective: To evaluate pallet management effectiveness. Specifically, evaluate requirements computation accuracy and retrograde effectiveness.



DEFENSE CONTRACT AUDIT AGENCY

DCAA's services include professional advice to acquisition officials on accounting and financial matters to assist them in the negotiation, award, administration and settlement of contracts.

CUSTOMER REQUESTED AUDITS:

Many of DCAA's audits are performed at the request of contracting officers and are most commonly performed during the negotiation and award phase. DCAA has no control over the number or timing of these audits and must immediately respond to the audit requests as its top priority. DCAA issued 57 of these reports between October 2007 and March 2008. The major categories of audit services are described below.

Price Proposals – Audits of price proposals submitted by contractors in connection with the award, modification, or re-pricing of Government contracts or subcontracts.

Agreed-Upon Procedures Price Proposal – Evaluations of specific areas, including actual labor and overhead rates and/or cost realism analysis, requested by customers in connection with the award of Government contracts or subcontracts.

Other Special Requested Audits – Audit assistance provided in response to special requests from the contracting community based on identified risks.

Preaward Accounting Surveys – Preaward audits to determine whether a contractor's accounting system is acceptable for segregating and accumulating costs under Government contracts.

CONTRACT REQUIRED AUDITS:

DCAA's audits of cost-reimbursable contracts represent a continuous effort from evaluation of proposed prices to final closeout and payment. DCAA is able to plan the extent and timing of most of the audits performed after the initial contract award. Audits of contractor business system internal controls and preliminary testing of contract costs are carried out to provide a basis for provisional approval of contractor interim payments and early detection of deficiencies. Comprehensive contract cost audits are performed annually throughout the life of the contract and are used by the contracting activity to adjust provisionally approved interim payments and ultimately to negotiate final payment to the contractor. DCAA issued 81 of these reports between October 2007 and March 2008. As of April 1, 2008 DCAA had 285 audits in process and another 68 audits planned for FY 2008.

DESCRIPTION OF AUDIT AREA	FY 2008	
	In Process	Planned
Incurring Cost (1)	70	6
Labor Timekeeping (2)	37	13
Internal Controls (3)	63	20
Purchase Existence and Consumption (4)	22	6
Cost Accounting Standards (5)	62	17
Other (6)	31	6
Total	285	68

- (1) **Incurring Cost** – Audits of costs charged to Government contracts to determine whether they are allowable, allocable, and reasonable.
- (2) **Labor Timekeeping** – Audits to determine if the contractor consistently complies with established timekeeping system policies and procedures for recording labor costs.
- (3) **Internal Controls** – Audits of contractor internal control systems relating to the accounting and billing of costs under Government contracts.
- (4) **Purchase Existence and Consumption** – The physical observation of purchased materials and services and related inquiries regarding their documentation and verification of contract charges.
- (5) **Cost Accounting Standards** – Audits of Contractor Disclosure Statements and compliance with Cost Accounting Standards.
- (6) **Other** – Significant types of other audit activities include compliance with the Truth in Negotiations Act, and audits of economy and efficiency of contractor operations.